

Congress of the United States  
Washington, DC 20515

July 1, 2015

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FCC Mail Room

The Honorable Thomas Wheeler  
Chairman  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Dear Chairman Wheeler:

We commend the Federal Communications Commission (FCC) for its ongoing work to design and implement the 600 MHz Broadcast Incentive Auction (Incentive Auction). Given its propagation characteristics, 600 MHz spectrum provides a unique opportunity to ensure that consumers, small businesses, students, agriculture and energy producers and others based in rural America have access to state-of-the-art wireless broadband communication services.

Section 309(j) of the Communications Act of 1934, as amended, requires the agency to ensure that rural telephone companies have the opportunity to contend for spectrum in competitive bidding systems. The FCC's proposed bidding credit rules are a positive step toward promoting a competitive marketplace and ensuring rural consumers obtain wireless services that are reasonably comparable to their urban counterparts.

We are encouraged to see the proposed rules recognize the congressional intent in Section 309(j), but we recommend that the FCC adjust its rural carrier bidding credit proposal to more comprehensively address the challenges faced by rural telephone companies. A well-designed rural telco bidding credit would offer rural providers the opportunity to better compete for spectrum against providers that may concentrate resources in urban areas and leave spectrum underused in rural areas.

Rural telephone companies have a history of providing modern communication services to sparsely-populated areas and making service decisions based on the needs of the rural communities where they are based. Despite this commitment to rural connectivity and interest in obtaining additional spectrum, rural providers were virtually shut out of the recent AWS-3 auction and accounted for just 1.55 percent of the total licenses won.

Given our shared commitment to rural consumers and a successful implementation of the Incentive Auction, we urge the FCC to increase the rural provider bidding credit to help ensure that rural providers have a reasonable opportunity to obtain spectrum to serve rural consumers. We look forward to hearing from you about this important matter.

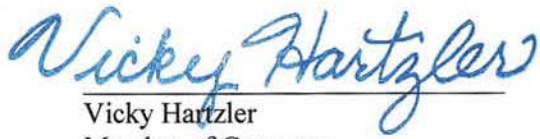
Sincerely,



Kristi Noem  
Member of Congress



Kevin Cramer  
Member of Congress



Vicky Hartzler  
Member of Congress



Cynthia Lummis  
Member of Congress



Rick Crawford  
Member of Congress



Larry Bucshon  
Member of Congress



French Hill  
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 27, 2015

The Honorable Larry Bucshon  
U.S. House of Representatives  
1005 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Bucshon:

Thank you for your letter regarding the Commission's efforts to update our competitive bidding rules to provide small businesses and rural service providers with greater flexibility to compete in today's wireless marketplace. I appreciate your leadership and support for our efforts to ensure that *bona fide* small businesses and eligible rural service providers have the opportunity to participate in our spectrum auctions and in the provision of spectrum-based services.

To that end, the Commission recently adopted a Report & Order updating our competitive bidding rules to reflect the dramatic changes in the wireless marketplace since they were last updated in 2006. In 2006, the top four national carriers served 82 percent of the market; today the top four national carriers serve 98 percent of all subscribers. Given these changes, the Commission acted to afford *bona fide* small businesses and eligible rural service providers a better on-ramp into the wireless industry and the flexibility to make business decisions that can create more wireless choices for consumers.

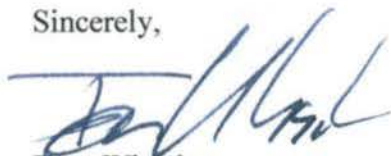
As you note, the Communications Act of 1934, as amended, directs the Commission to ensure rural service providers have the opportunity to compete for spectrum in the Commission's spectrum auctions. To aid these rural service providers, the Report & Order creates a bidding credit to incentivize their participation in future auctions and facilitate competition in rural areas. Specifically, the rural service provider bidding credit will allow entities that serve predominantly rural areas and provide services to 250,000 subscribers or less to receive a 15 percent bidding credit or discount on the amount they must pay for licenses awarded at auction. For the upcoming Incentive Auction, at the request of rural service providers, the Report & Order also establishes a \$10 million cap on the overall amount of discounts that either small businesses or rural service providers may receive in smaller markets to ensure that they can compete for spectrum on equal footing with larger, well-financed small businesses.

Ultimately, the reforms adopted in the Report & Order will increase the economic opportunity for small and rural businesses, as well as ensure that the beneficiaries of our competitive bidding rules are those intended by Congress.

Page 2—The Honorable Larry Bucshon

Thank you for your ongoing support of our efforts to promote competition and choice in mobile broadband.

Sincerely,



Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 27, 2015

The Honorable Kevin Cramer  
U.S. House of Representatives  
1032 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Cramer:

Thank you for your letter regarding the Commission's efforts to update our competitive bidding rules to provide small businesses and rural service providers with greater flexibility to compete in today's wireless marketplace. I appreciate your leadership and support for our efforts to ensure that *bona fide* small businesses and eligible rural service providers have the opportunity to participate in our spectrum auctions and in the provision of spectrum-based services.

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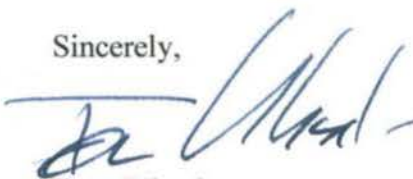
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 27, 2015

The Honorable Rick Crawford  
U.S. House of Representatives  
1711 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Crawford:

Thank you for your letter regarding the Commission's efforts to update our competitive bidding rules to provide small businesses and rural service providers with greater flexibility to compete in today's wireless marketplace. I appreciate your leadership and support for our efforts to ensure that *bona fide* small businesses and eligible rural service providers have the opportunity to participate in our spectrum auctions and in the provision of spectrum-based services.

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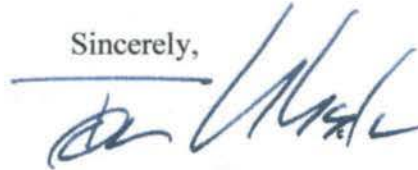
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Tom Wheeler





FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 27, 2015

The Honorable Vicky Hartzler  
U.S. House of Representatives  
1023 Longworth House Office Building  
Washington, D.C. 20515

Dear Congresswoman Hartzler:

Thank you for your letter regarding the Commission's efforts to update our competitive bidding rules to provide small businesses and rural service providers with greater flexibility to compete in today's wireless marketplace. I appreciate your leadership and support for our efforts to ensure that *bona fide* small businesses and eligible rural service providers have the opportunity to participate in our spectrum auctions and in the provision of spectrum-based services.

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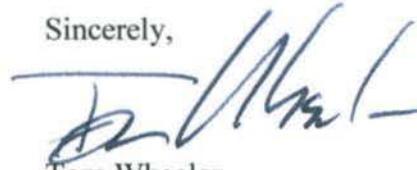
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

July 27, 2015

The Honorable French Hill  
U.S. House of Representatives  
1229 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Hill:

Thank you for your letter regarding the Commission's efforts to update our competitive bidding rules to provide small businesses and rural service providers with greater flexibility to compete in today's wireless marketplace. I appreciate your leadership and support for our efforts to ensure that *bona fide* small businesses and eligible rural service providers have the opportunity to participate in our spectrum auctions and in the provision of spectrum-based services.

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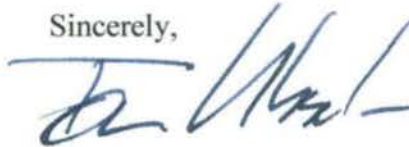
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Tom Wheeler





OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 27, 2015

The Honorable Cynthia M. Lummis  
U.S. House of Representatives  
113 Cannon House Office Building  
Washington, D.C. 20515

Dear Congresswoman Lummis:

Thank you for your letter regarding the Commission's efforts to update our competitive bidding rules to provide small businesses and rural service providers with greater flexibility to compete in today's wireless marketplace. I appreciate your leadership and support for our efforts to ensure that *bona fide* small businesses and eligible rural service providers have the opportunity to participate in our spectrum auctions and in the provision of spectrum-based services.

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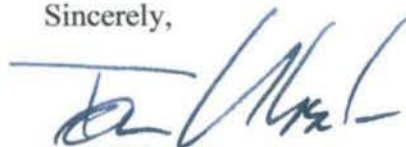
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Tom Wheeler



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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 27, 2015

The Honorable Kristi Noem  
U.S. House of Representatives  
1323 Longworth House Office Building  
Washington, D.C. 20515

Dear Congresswoman Noem:

Thank you for your letter regarding the Commission's efforts to update our competitive bidding rules to provide small businesses and rural service providers with greater flexibility to compete in today's wireless marketplace. I appreciate your leadership and support for our efforts to ensure that *bona fide* small businesses and eligible rural service providers have the opportunity to participate in our spectrum auctions and in the provision of spectrum-based services.

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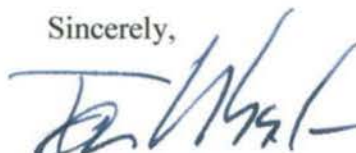
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